

Car loan calculator

June 12, 2025



Car Loan Calculator

Total Car Price (\$)

\$ e.g., 30000

Down Payment (\$)

\$ 0

Annual Interest Rate (%)

% e.g., 5.5

Loan Term (Years)

years e.g., 5

Trade-in Value (\$)

\$ 0

Sales Tax Rate (%)

% 0

Calculate My Payment



Car Loan Calculator

Total Car Price (\$)

\$ 30000

Down Payment (\$)

\$ 10000

Annual Interest Rate (%)

% 6

Loan Term (Years)

5

Trade-in Value (\$)

\$ 0

Sales Tax Rate (%)

% 0

Calculate My Payment

Your Loan Estimate

Here's a detailed breakdown of your potential car loan.

Your Estimated Monthly Payment

\$386.66



Principal Loan

Total Interest

Total Loan Amount \$20,000.00

Total Interest Paid \$3,199.36

Total Cost (Loan + Interest) \$23,199.36

Full Amortization Schedule

Month	Payment	Principal	Interest	Balance
1	\$386.66	\$286.66	\$100.00	\$19,713.34
2	\$386.66	\$288.09	\$98.57	\$19,425.25
3	\$386.66	\$289.53	\$97.13	\$19,135.72
4	\$386.66	\$290.98	\$95.68	\$18,844.75
5	\$386.66	\$292.42	\$94.22	\$18,552.32

Your Loan Estimate

Here's a detailed breakdown of your potential car loan.

Your Estimated Monthly Payment

\$386.66



Total Loan Amount \$20,000.00

Total Interest Paid \$3,199.36

Total Cost (Loan + Interest) \$23,199.36

■ Principal Loan

■ Total Interest

Full Amortization Schedule

Month	Payment	Principal	Interest	Balance
1	\$386.66	\$286.66	\$100.00	\$19,713.34
2	\$386.66	\$288.09	\$98.57	\$19,425.25
3	\$386.66	\$289.53	\$97.13	\$19,135.72
4	\$386.66	\$290.98	\$95.68	\$18,844.75
5	\$386.66	\$292.43	\$94.22	\$18,552.32
6	\$386.66	\$293.89	\$92.76	\$18,258.42

How to Use Our Car Loan Calculator

We've designed this tool to be incredibly simple yet powerful. Follow these steps to get a detailed breakdown of your potential car loan in seconds:

1. **Total Car Price:** Enter the full sticker price of the vehicle you're considering. This is the starting point of the calculation.
2. **Down Payment:** Input the amount of cash you'll be paying upfront. A larger down payment reduces your loan amount and total interest paid.
3. **Annual Interest Rate (APR):** This is the interest rate your lender will charge you per year. You can get an estimate based on your credit score. Enter it as a percentage (e.g., 5.5 for 5.5%).
4. **Loan Term (Years):** Select the duration of your loan. Common terms are 3, 4, 5, or 6 years. A shorter term means higher monthly payments but less total interest.
5. **Trade-in Value:** If you're trading in your old car, enter its value here. This amount is subtracted from the car price, similar to a down payment.
6. **Sales Tax Rate:** Enter your local sales tax rate. Our calculator intelligently applies this tax to the vehicle's price after deducting the trade-in value (as is common practice in many areas) to give you a more accurate loan amount.
7. **Click "Calculate My Payment":** Instantly see your estimated monthly payment, a visual breakdown of your loan, and a complete payment schedule.

What is a Car Loan Calculator?

A Car Loan Calculator is a financial tool that helps prospective car buyers estimate their monthly payments for an auto loan. At its core, it takes the principal loan amount, the interest rate (APR), and the loan term to compute a fixed monthly installment. However, a superior calculator, like this one, goes further by incorporating crucial variables like down payments, trade-in values, and sales tax to provide a much more realistic and valuable financial forecast.

This tool removes the guesswork from car financing. Instead of relying solely on a dealer's figures, you can walk into a dealership armed with knowledge, understanding exactly what you can afford and what a fair deal looks like.

How Does a Car Loan Calculator Work? The Math Explained

While our tool does the heavy lifting, the calculation is based on a standard financial formula. The monthly payment (M) is calculated using the formula:

$$M = P [r(1+r)^n] / [(1+r)^n - 1]$$

Where: **P** is the principal loan amount, **r** is the monthly interest rate (your annual rate divided by 12), and **n** is the total number of payments (your loan term in years multiplied by 12). This formula ensures that your fixed payments will cover both principal and interest, resulting in a zero balance at the end of your term.

Beyond the Monthly Payment: What Our Calculator Tells You

Many basic calculators stop at the monthly payment. We believe you deserve more. Here's the extra value our tool provides:

- **Total Loan Amount:** See the precise amount you'll be financing after all your inputs are considered.
- **Total Interest Paid:** This is a crucial number! It shows you the true cost of borrowing money over the entire loan term. Seeing this can motivate you to opt for a shorter term or a larger down payment.
- **Total Cost:** This is the sum of the principal loan amount and the total interest. It represents the grand total you'll spend to own the car.
- **Visual Pie Chart:** Our unique chart gives you an instant visual representation of how much of your total payment goes towards the actual car (principal) versus financing costs (interest).
- **Full Amortization Schedule:** This is the most powerful feature for financial planning. You can see, month by month, how your payments chip away at your loan. Watch your principal portion grow and your interest portion shrink with every payment you make. This is incredibly motivating and helps you understand the impact of making extra payments.

Pro Tips for Getting a Better Car Loan

Use the knowledge from this calculator to secure the best possible deal.

1. **Improve Your Credit Score:** The single most significant factor in your APR is your credit score. Before you start car shopping, check your credit report and take steps to improve it if necessary.
2. **Shop Around for Financing:** Don't just accept the dealership's financing offer. Get pre-approved from your bank, a credit union, and online lenders before you go to the dealership. This gives you negotiating power.
3. **Make a Larger Down Payment:** As you can see from the calculator, a larger down payment dramatically reduces your monthly payment and total interest paid.
4. **Choose the Shortest Term You Can Afford:** While a 7-year loan might have an appealingly low monthly payment, you'll pay thousands more in interest. Use our calculator to find a balance between a manageable payment and a reasonable loan term.